STEEL PIPES & TUBES | सब संभव है

August 08, 2026

To	**To**
Listing Compliance Department	**Listing Compliance Department**
National Stock Exchange of India Limited	**BSE Limited**
Exchange Plaza, Bandra Kurla Complex,	**P J Towers, Dalal Street,**
Bandra (East), Mumbai– 400051	**Mumbai - 400 001**
Symbol: SAMBHV	**Scrip Code: 544430**

Dear Sir / Madam

Sub: Transcript of the Conference Call held on August 04, 2026

This is with reference to our intimation dated **July 30, 2026** regarding Conference Call with investors and analysts on **August 04, 2026 (Tuesday) 05:00 PM IST** to discuss the Unaudited Financial Results of the Company for the quarter ended **June 30, 2026**.

In terms of the provisions of **Regulations 30** of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached the transcript of the aforesaid conference call.

This above information is also available on the website of the Company https://www.sambhv.com/investor-information.php.

Thanking you,
For, Sambhv Steel Tubes Limited
NIRAJ SHRIVASTAVA
Digitally signed by NIRAJ SHRIVASTAVA
Date: 2026.08.08 11:07:33 +05'30'
Niraj Shrivastava
(Company Secretary and Compliance Officer)
Membership No. F8459

"Sambhv Steel Tubes Limited

Q1 FY27 Earnings Conference Call"

August 04, 2026

MANAGEMENT: **MR. VIKAS KUMAR GOYAL – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER – SAMBHV STEEL TUBES LIMITED**
MS. ANU GARG – CHIEF FINANCIAL OFFICER – SAMBHV STEEL TUBES LIMITED
MR. BIKASH AGRAWAL –EXECUTIVE DIRECTOR & CHIEF STRATEGY OFFICER – SAMBHV STEEL TUBES LIMITED
MR. PRACHAL KOTHARI – SENIOR MANAGER, CEO OFFICE & INVESTOR RELATION – SAMBHV STEEL TUBES LIMITED

MODERATOR: **MR. SAHIL SANGHVI – MONARCH NETWORTH**

Moderator: Ladies and gentlemen, good day and welcome to the Sambhv Steel Tubes Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sahil Sanghvi. Thank you and over to you, sir.

Sahil Sanghvi: Thank you, Shruti. Good evening, everyone. Welcome to the Sambhv Steel Tubes Limited earnings call to discuss Q1 FY27 performance. Before we begin, we would like to remind you that today's discussion may include certain forward-looking statements, which should be considered in the light of risks and uncertainties outlined by the company.

Joining us on the call today, we have Mr. Vikas Kumar Goyal, Managing Director and CEO; Ms. Anu Garg, Chief Financial Officer; Mr. Bikash Agarwal, , Executive Director and CSO; Mr. Prachal Kothari, Senior Manager - IR and CEO Office.

We would like to congratulate the whole management, the whole team at Sambhv for a very impressive set of numbers. I now invite Mr. Vikas Goyal to take us through the business outlook and key financial highlights, following which we will open the floor for question-and-answers. Thank you and over to you, Vikas-ji.

Vikas Kumar Goyal: Thank you, Sahil. Good evening, everyone. Thank you for joining us for Q1 FY27 Earnings Call. I hope you have had the opportunity to go through our financial results and investor presentation, which are available on the exchanges. Today, I will take you through the key strategic developments, operational progress, and financial performance, followed by the Q&A session.

I am pleased to share that Sambhv has delivered a strong start to FY27, recording healthy growth across all key operational and financial parameters. Sambhv delivered its highest ever quarterly financial performance, with growth of revenue by 31%, EBITDA by 31%, and PAT by 70%. Our performance reflects the strength of our integrated operations, timely execution, and the continued focus on value-added products.

Before discussing our operational and financial performance in detail, I would like to share a few key strategic developments during this quarter. We continue to make steady progress on our capacity expansion roadmap and remain on track to increase our total finished product capacity from 0.68 million tons per annum to over 2 million tons per annum by 2030. Our greenfield and brownfield expansions are progressing well.

We are pleased to announce the successful completion of brownfield expansion of our stainless-steel CR coil facility at Kuthrel Unit 2. Our debottlenecking initiative has doubled our production capacity from 58,000 tons per annum to 1,16,000 tons per annum. With the consent to operate now in place, we look forward to utilizing this expanded capacity from this year onwards.

Our Greenfield project at Kesda and Kuthrel Unit 2 continue to progress well and remain on track for commissioning in Q4 FY27. We continue to make steady progress in our project execution, with all orders placed and civil work progressing on schedule. Our board has approved installation of 8-megawatt captive behind-the-meter rooftop solar power plant at Kuthrel facility. This INR25 crores investment will reduce our power cost and increase the use of renewable energy. The board has also approved a preferential issue of fully convertible warrants raising up to INR100 crores to support our growth plan. The proceeds will be used to fund capacity expansion, strengthen working capital, invest in our wholly owned subsidiary Sambhv Tubes Limited, and meet general corporate purpose.

During the quarter, we secured product approvals from leading government organizations, including Engineers India Limited and Chennai Metro Rail Limited. We also signed 18 new MoUs under the Sambhv co-branding initiative for stainless steel pipe making, now taking total base to 28 partners.

Coming to our operational performance, we delivered another strong quarter with healthy capacity utilization. During this quarter, Sambhv achieved its highest ever sales volume of value-added products, with strong contribution across all segments. Sales volume grew by 16% year-on-year, while value-added products volume increased by 27% year-on-year. This reflects our continued focus on superior product mix and higher margin value-added products and resulted in 19% year-on-year increase in EBITDA to INR10,000 per ton, excluding sponge iron sales.

Coming to the financial performance, this quarter marked our highest ever revenue, EBITDA, and PAT performance. Achieved revenue of INR732 crores, total EBITDA of INR100 crores, and PAT of INR56 crores. EBITDA margin remained strong at 13%, while PAT margin improved to over 7%, reflecting the benefit of high realization in value-added products.

Looking ahead, we remain confident in our growth outlook, supported by expansion roadmap, integrated manufacturing platform, and increased focus on value-added products. Sambhv is well-positioned to capitalize on future growth opportunities. We remain committed to delivering sustainable growth and creating long-term value for our stakeholders. As we always say, **"Sambhv hai, toh sab sambhv hai."** That's all from me. I would now request to open the floor for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Kushal Goenka from Mangal Keshav Financial Services. Please proceed.

Kushal Goenka: Yes, hi sir. Congratulations on a great set of numbers. My only question is, so Sambhv is a family run business comprising of multiple brothers and their children. My question is as and when the younger generation joins and the system gets bigger, what processes and checks have you placed in the organization that make sure that the family as a whole remain tightly fragile, conflict does not arise, and hence no internal harm can cause the business to break in the long term?

Vikas Kumar Goyal: Yes, hi. Very good question. So basically, you have asked a question related to our future planning, succession planning, which is not yet there in the family currently, in the mind of promoters and the Chairman Emeritus. So basically, the family, younger generation itself has four brothers who have been looking for the different part of the family business, one part being the Sambhv Steel Tubes Limited, being run by Chairman Mr. Suresh Goyal ji and MD & CEO Mr. Vikas Goyal ji.

Now we have also hired professionals outside the promoter family who are also installed in different functionaries, and they have been running independently all their departments and being reporting to the MD & CEO and the Chairman and Managing Director, respectively. So that's the one.

Secondly, related to the younger generation, that is the third generation, they have been inducted into the business, but they are currently being deployed on the site where the new projects are currently under execution to get the first-hand experience in the of the real world where they will learn how the project gets executed, how to work with the lower-strata employees and they will have to chase the top level through the bottom of the pyramid or the bottom of the organization itself.

So they have to prove themselves to climb the top ladder. Third is, in terms of shareholding, it has been equally distributed among the family members, so I think the question of conflict which you are questioning is I don't think is currently is in any form it is there. I hope I'm clear about your questions.

Kushal Goenka: Yes, sir. Yes, sir. That was very helpful. I just wanted to know that. Thank you so much and best of luck for the future.

Vikas Kumar Goyal: Thank you.

Moderator: Thank you. The next question is from the line of Manoj Reddy from Zen Wealth Management. Please proceed.

Manoj Reddy: Hello, am I audible?

Vikas Kumar Goyal: Yes, yes.

Manoj Reddy: My question is regarding our finance cost. After our the capacity expansion of the Kesda unit, what will the peak debt look like for our company and finance cost as well?

Vikas Kumar Goyal: Sir, currently we are executing the first phase of Kesda unit, which is currently 3,60,000 tons out of entire 12 lakh ton, which is being envisaged in three phases. Peak debt, after execution of first phase and other expansion that we have announced, that is power plant and DFT pipe mill and solar power plant, we will have around INR800 crores to INR850 crores of term debt and INR200 crores to INR300 crores of working capital debt by end of FY27.

Manoj Reddy: Okay. And what does the interest rate look like?

Vikas Kumar Goyal: Currently, we are operating below 8%. So our cost of debt is in between 7.5% to 8% right now.

Manoj Reddy: Okay, okay. That's helpful. And on the second question, what's the status update on the Kesda plan? Are you confident in executing by Q4 FY27?

Vikas Kumar Goyal: We are pretty much optimistic to start the trial run and the production by Q4 '27.

Manoj Reddy: Okay. And do you see monsoon deterring that or...?

Vikas Kumar Goyal: So we already have executed our substructure work, which is below the earth work, and now we are working on the superstructure. And if you see on the picture itself, most of the superstructure work are also on advanced stage. So we can do the installation of machineries during this monsoon also, which is currently going on.

Manoj Reddy: Okay, okay. That's it. That's it from my side.

Moderator: Thank you. The next question is from the line of Aashish from InvesQ PMS. Please proceed.

Aashish: Yes, hi. I heard something on the management commentary regarding the fund raise. If you could please repeat that again and what's the purpose of this or is it is it just an enabling provision that you take?

Vikas Kumar Goyal: No, it is not an enabling provision. Promoter family is serious about putting INR100 crores through warrant issuance and management also participating into it. The money, initial money will be used for my capex that is being planned in our subsidiary, the project of which we will be announcing once my board approve the total capex for that particular project.

Secondly, we want to strengthen our working capital requirement and the working capital promoter contribution because we are also envisaging Q4 project completion for our Kesda, so we require some promoter contribution towards the working capital that we are envisaging. Third is certain expansion like solar plant and DFT pipe mill and captive power plant is being announced last quarter, which require also certain promoter infusion, for which we have announced this INR100 crores fully convertible equity warrant issuance.

Aashish: So and the project is going to be in the subsidiary, you said, right? 100% subsidiary.

Vikas Kumar Goyal: So part of the money will be utilized in the parent company itself and part of the money will be utilized for the subsidiary, Yes, this is 100% wholly-owned subsidiary.

Aashish: Okay. Okay. On the business side, I just wanted to check our EBITDA per ton was reasonably good this quarter versus what we've been delivering, around 9,000 plus, I think 9,300. And if you could comment on that, how's the situation looking, and overall on the margin front going ahead? Also, I think the sales numbers were a bit better than what we would have expected. So can you comment on the on the direction of the business overall, how are you looking at the market and maybe divide it into the segments that you operate in, both SS and then the pipes and stuff, everything please?

Vikas Kumar Goyal: So if you remember in the last quarter call, we have given a guidance of INR7,000 to INR8,000 per ton of EBITDA margin for Q1 itself, but because the market supported us well and our effort was well paid and well accepted by the market, so we realized EBITDA per ton realization is upward of 10,000, if I exclude my sponge iron sales. First.

Secondly, in terms of Q2, we believe our EBITDA margin will be in terms of INR7,500 to INR8,500, so that is the range we would like to give for Q2 numbers. And in terms of volume, we will try our best to achieve the current Q1 sales volume number in Q2 also. In terms of overall 2027 numbers that you have been asking is we believe we will be very much comfortable achieving the EBITDA margin per ton in the range of INR7,500 to INR8,500, with again the revenue growth of 10% to 15% over the base of 2026 and EBITDA growth of again 10% to 15% over 2026 number.

Ashish: Okay. Okay. Any qualitative things to share as to as to the business overall, what is the acceptability of our pipes in the market? Because we've not heard much on that. If you could if you could share something what's happening in the market overall and how you are progressing on that?

Vikas Kumar Goyal: The market is very positive. As we recently shared, we secured approval from Engineers India Limited, a key focus for us, received during the last quarter. This achievement will significantly enhance our capabilities and boost our market acceptance, particularly during institutional sales to both private and government organizations our sales will improve.

It marks a major milestone for us. Regarding the stainless steel segment, we are consistently expanding our co-branding partnerships through MOUs; these partners manufacture and sell pipes under the Sambhv brand. While we had established only 10 such partnerships by the end of the last fiscal year, we have added 18 new MOU partners in just this single quarter, bringing the total count to 28.

Currently, we are supplying approximately 1,200 tons of material to these partners, and our target is to reach a supply volume of around 2,500 tons to MOU holders by the end of this year. We hope they manufacture and sell these pipes using our coils. Through these marketing initiatives, we are effectively enhancing the acceptance of our brand in the market.

Ashish: So, is it co-branded? Meaning it will feature both Sambhav's brand as well as theirs? Something like that?

Vikas Kumar Goyal: It will be co-branded, Sambhv also with the brand name of the pipe manufacturer.

Ashish: Okay. But why this arrangement? Are we not distributing the market directly?

Vikas Kumar Goyal: No, Sir; regarding the pipe sales, we are essentially following the model adopted by India's major stainless steel producers. There are around 800 to 900 small-scale pipe manufacturing plants across the country, each with an average production capacity of roughly 100 to 200 tons. These plants typically sell their products within their local regions.

Consequently, it is quite difficult for any large company to bypass this structure and sell directly to the trading segment. Therefore, we adopted a co-branding strategy: they display both their brand and ours, while we help create a market and generate awareness for the Sambhv brand, thereby establishing our own brand presence in the stainless steel sector.

Ashish: Okay. So in which region are we expanding? Is it specifically East region more? Or across India?

Vikas Kumar Goyal: We are selling stainless steel across the whole of India. However, regarding pipes and tubes, we are not currently expanding into the down South; our presence is stronger in the North. Over the last six months, we have successfully met our sales targets in UP. So, while we aren't currently focusing on the pipe and tube segment in the down South, specifically the regions below Bangalore and Hyderabad.

We are active across India with stainless steel. We cover Kerala, Chennai, Assam in the East, and even Jammu, as well as the West Coast. We are targeting the entire Indian market for stainless steel because our goal isn't just about our current monthly sales of 5,000 tons; we are preparing for our upcoming capacity expansion to 20,000 tons to 25,000 tons per month, and we are developing the market to ensure our reach spans the entire segment.

Ashish: Right. So, regarding the vision that was shared earlier, and while we are achieving good numbers, the EBITDA numbers are perhaps lesser than what we had anticipated may be a year back. But overall as you said that may be you are considering the goal of tripling capacity by 2030, as you mentioned at the starting of the call.

How do we expect margins to behave during that journey? And how much do you anticipate the market to support you in that endeavor overall? Could you shed some light on what we, as investors, should look for in your company over the next three to four years?

Vikas Kumar Goyal: No, sir; you see, we are an integrated manufacturer and supplier of pipes and tubes, currently the only one of our kind in India. We handle the entire production process, starting from iron ore and coal all the way to the finished pipe. Iron ore and coal are available to us in Chhattisgarh, within a radius of 200 to 250 kilometers.

India's highest-grade iron ore and one of the world's largest mines; furthermore, we source domestic coal at the lowest possible rates. Consequently, we maintain a cost advantage. As for market penetration, we are progressing steadily. Over the past three years, we have grown our capacity from 150,000 tons to 500,000 tons, and we are now planning to add another 1 million tons of capacity over the next three to four years.

We are currently producing 350,000 tons and are in the process of increasing production by 150,000 tons; subsequently, with this year Phase 2 project, we intend to add another 300,000 to 400,000 tons of capacity. We are thus gradually expanding our footprint and establishing a strong market position.

We adopted a similar gradual approach with stainless steel: we initially set up a 58,000 ton plant, later increased capacity to 116,000 tons, and are now undertaking a major expansion. We are confident that our new facility will enable us to capture a market segment we currently do not serve and establish a significant presence there.

Ashish: Right, right, right. And if I can ask one last question, I remember the scenario after IPO, we were approximately near INR50 crores net profit, and if I remember correctly the journey was in the next four, five years was to reach INR300 crores. So I think more or less we would be there in the next two, three years?

Vikas Kumar Goyal: Sir, this is our effort. And the road map that we are showing to the public, we have executed it very clearly. For example, in phase 3, the major facilities like rolling mills and land chunks, we have done it for all three phases. Our clear cut vision is that we will do it. We are not doing out-of-the-box work. We are enhancing a small product by marketing it first.

We are not doing any out-of-the-box product. Whether we will be able to do it or not. Whether we will be able to create a market or not. So, our vision is very clear cut. That we should hold a segment and take it to a good height. As you can see the ported product. We started with 60,000 tons and increased it. We have got a good market for it. We have got a name for it for the coil sales.

The big brands of India that are selling. We are able to get the same price as them from the market. We are able to get the same price or 1% to 2% lower than the big brands of India in black pipe. We have achieved it on quality parameters. And we are enhancing this segment. We will show you this after three years, what we are telling you.

Ashish: Right. Sir, will there be any equity dilution in the future? Because if there is a mismatch in the cash flow.

Moderator: Sorry to interrupt Mr. Ashish. May we request you to join the question queue for a follow-up? Thank you. The next question is from the line of Sneha from Nuvama. Please proceed. Sneha, ma'am, we are unable to hear you.

Sneha: Am I audible now? Hello?

Moderator: Yes, ma'am.

Sneha: Yes, just wanted to understand on the stainless steel side, you said we are co-branding and making pipes. At this point of time, I think you said 5,000 to 6,000 tons is what you are making. What is the idea? How many pipes will we make? And what kind of margins do we make on stainless steel pipe business versus stainless steel coil?

Vikas Kumar Goyal: Ma'am, we don't sell pipes. We are selling coils only. We are selling coils to our co-branding partners who are manufacturing pipes and selling them in the market. We are making stainless steel CR coils. We are providing services ranging from 0.4 mm to 2 mm. Our margin is around INR15,000 to INR16,000.

And when Kesda starts in the future, we will have to sell some HR coils as well which we are doing totally CR currently. So we will be able to achieve INR12,000 to INR13,000 per ton. And because we have a small margin in HR, I think it will be less in the starting phase. But going forward that will also increase.

Sneha: Understood, sir. That was clear. That's all from my end. Thank you so much and all the best, team.

Vikas Kumar Goyal: Thank you.

Moderator: Thank you. The next question is from the line of Dhananjai from Alchemy. Please proceed.

Dhananjai: Hi, sir. Firstly, congratulations on a very good set of numbers in a tough environment. Just wanted to ask you, sir, how are we seeing now going ahead with steel prices stabilizing? How are we seeing the current demand scenario? And in stainless steel, how are we seeing the demand scenario? Because, yes, first this question.

Vikas Kumar Goyal: In terms of MS pipe, the pricing start to softening, if you looking at the other large players' commentary. So price is going to be stabilized, let's say, around, let's say, another 3% to 5% downward for this financial year we are looking at where the price will stabilize.

In terms of demand, I would say, see, even if there is a lackluster demand as per the commentary of others, but I believe the quantity that we are producing and selling into the market is quite less, which is around 20,000 to 24,000ton per month, excluding our GP volume. So I think the demand elasticity is not impacting much to us.

In terms of stainless steel, though the QCO framework has been extended, but because of the war situation, the shipments is getting delayed, the ships' availability is not there, and cost of Chinese stainless steel production vis-à-vis the cost of Indian steel production is more or less now in at par level.

So I think the pricing competition is not there. Since India is very much import-dependent for its stainless steel consumption and there is no much of a production to cater to this demand, so that is why certain amount of imports happen in India, and that is why QCO relaxation is given, because government understand that the demand is not being fully met by the domestic production. So I think stainless steel price realization is currently looking good. In terms of margin, we given guidance of around INR15,000 to INR16,000 per ton for this financial, which we will continue to.

Dhananjai: So, sir, this margin, are we not facing the same issues as how the other players are talking about nickel prices? Are we not facing that issue?

Vikas Kumar Goyal: Current production volume is around 5 to 6,000 ton, and we are predominantly manufacturing 90% of our production in 200 series, where the nickel requirement is very less. And that nickel requirement itself we have been fulfilling through nickel scraps and other alloys that we are getting which has content nickel itself. So we are not dependent on nickel-plated iron per se for our production, so that is why we are little bit immune to price fluctuation from nickel market.

Dhananjai: Okay. And, sir, for now, for our growth, one is we are doing -- the one warrants with the promoters that will be participating. Are you looking for any other fund raising?

Vikas Kumar Goyal: Currently, other fund raising is not on the table, but in future if may require, and with approval of board, we may come to the market if required, but currently we in a short-term or in a near medium-term we do not envisage any further external fund requirement or raising event.

The current warrant which has been issued, or which is going to be issued, the utilization of which just previously I have answered that, for the investment in capacity expansion or capex that we have announced in holding company and certain investment and certain manufacturing plant that is going to come up in wholly-owned subsidiary company.

Dhananjai: Understood. And, sir, lastly, in this ERW segment, although we are a bit much smaller, but now the larger players have also started saying that there is going to be a good amount of steel capacity in India, hence the pain which they had to face will be now this quarter, maybe next quarter. They're going to see huge growth going ahead after that. Do we have similar thought processes? Because we have quite a bit of capacity utilization availability.

Vikas Kumar Goyal: If you see, we have been giving for the MS ERW pipe, the volume for last 5 quarters we have been giving -- quarter-on-quarter it is increasing only. So we have already achieved our maximum production output or efficiency in, Q1 2027.

So in terms of, again, I would say demand elasticity is not impacting much to us, because we are a fully integrated player, and we have profit margin right from sponge iron making to ERW pipe making, so we also have the pricing power for our own pipe making. We are not dependent on pricing by the coil manufacturer itself. So because of that, we are very much placing our volume of production into the market in in in our own terms.

Dhananjai: Okay, fine. And now regarding any of the elevated propane or LPG costs regarding, all that is now under control or how are we seeing that?

Vikas Kumar Goyal: With the God's grace, we have shifted from LPG to PNG in January 2026, and it is piped gas being provided by GAIL itself, so currently there is no much of a cost impact or supply impact per se because of the war situation. We have we are getting uninterrupted supply of PNG and our plant is running 24/7.

Dhananjai: Understood. Superb, sir and congratulations.

Vikas Kumar Goyal: Thank you.

Moderator: Thank you. The next question is from the line of Stuti Agarwal from Chhatisgarh Investment Limited. Please proceed.

Stuti Agarwal: Thank you for the opportunity. Sir, with respect to the new expanded stainless steel coil capacity, I just wanted to understand how the ramp-up is looking like? What will be the peak utilization, like, how much percent, and production guidance for FY27?

Vikas Kumar Goyal: In terms of new greenfield project that we have announced, for the Kesda plant, we will be coming up in Q427, so I think the volume, we cannot expect much of a volume from that particular greenfield expansion.

Related to the pipe and power plant that we have announced in last quarter itself, it will be coming up in next financial year, so the volume guidance for that will not be there in this financial year. if I answer this financial year volume guidance, it will be 10% to 15% over and above what we have given in 2026.

Stuti Agarwal: Okay, sir. That's all.

Vikas Kumar Goyal: Thank you.

Moderator: Thank you. The next question is from the line of Vikram Sharma from Niveshaay. Please proceed.

Vikram Sharma: Hello. Hi, sir. Congratulations on the good set of numbers. Sir, my first question was, what's the current price difference between primary steel and secondary steel? Yesterday, I was listening to a con-call, where management mentioned that a lot of primary steel capacity is coming live in India in the next 2 to 3 quarters. So, the current gap between primary steel and secondary steel will be significantly narrowed with the additional capacity. So, what's your view on that?

Vikas Kumar Goyal: I would like to clarify that there is no primary or secondary steel. Steel is produced through the primary route and secondary steel. It's just that the mention of secondary steel is means patra market. So patra market which typically operate below 300 mm grade.

So, if you look at ours, we manufacture steel through the secondary route, but our IS standard is of primary grade, equivalent to pipes of the primary steel route. In terms of pricing, the pricing of our pipes always remains approximately INR1 below the market leader, which we place in the market. And if new coil manufacturing capacity is coming in the market in the next 2-3 quarters, it doesn't impact much to the pipe market because that coil is not being used only by the pipe manufacturer.

Pipe manufacturers are only about 10% to 12% of the total coil manufacturer -- total coil consumption in India, vis-a-vis the production that is happening. So the coil itself that is going to be produced will have other uses in terms of roof sheet making, in terms of other PV sheets requirement, and lot of use case is there for the coil itself. So in terms of supply side if it is there, I don't think it will be completely making the pressure on the pipe manufacturing or pipe making industry.

Vikram Sharma: Okay. And second, on the stainless steel side, like how our business is progressing and now we're comparing our potential with a larger player like Jindal Stainless. As our capabilities become more prevalent, we're able to fully utilize them. So, we're competing in the same segment as Jindal Stainless, and what strategy are we targeting there?

Vikas Kumar Goyal: If we see JSL then predominantly they are operating over 1 mm thickness coil and they are having large width of coil that is like more than 1,200, whereas our coil is narrow width, 330 currently, which will go up to 650 in our new plant. And the future CR of our coil will be of high precision, I mean, lowest grade thickness, which will be of 0.1 to 0.4 mm thickness, which is currently predominantly imported in India.

And in this we have also qualified for PLI, in which we will get approximately 13% of our revenue from the central government as our incentive till 2030. And in this market predominantly it is an unorganized market currently and import-driven market, which we are replacing with the new greenfield project which is in Kesda, this unorganized marekt and import-based market. So direct, we are not competing with JSL per se in terms of product portfolio, but yes, the business segment itself is same, but the product segments are different.

Vikram Sharma: Okay, and what is the total size of this unorganised market, and import market, and what will be our capacity after the new capex?

Vikas Kumar Goyal: Current capacity is 1,16,000 ton per annum, and we are coming up with another 3,60,000 ton per annum, so total capacity will be 4,76,000 ton per annum, by Q4 2027. And in terms of unorganised market and import driven market, in the flat product, thinner gauze, the market is per month basis around 70,000 to 80,000 ton, which is getting imported or may be processed in unorganised, that is part of the concept, which we are now trying to replace. So basically, the size of the market, our actual production will be around, let's say incremental production of 20,000 to 22,000 ton, over and above what we are currently manufacturing.

Vikram Sharma: Okay. And what is date on anti-dumping duty?

Vikas Kumar Goyal: I think it has been extended till 2027. And there is no anti-dumping duty, it's a relaxation of QCO. For stainless steel, there is no anti-dumping duty. Okay, you are talking about MS or SS?

Vikram Sharma: SS. Jindal Stainless, they have mentioned on call something regarding anti-dumping duty hearing?

Vikas Kumar Goyal: There is a proposal moved around in different ministry for imposing anti-dumping duty on different South East Asian country and China, but currently that proposal is under consideration, I believe, but it is not being fructified. So there is a QCO relaxation that is being done by the Ministry of Commerce. Apart from that, there is no other restriction being imposed or there is no other relaxation being given to the exporter or importer.

Vikram Sharma: One last question. With our current capability to manufacture integrated steel pipe, so I believe we are manufacturing up to around five, six inches. So this five, six inches is like what percentage of total steel pipe market and after capex like what can we expect addressable market in percentage terms of total steel pipe market?

Vikas Kumar Goyal: So currently we are manufacturing up to seven inches diameter pipe, out of which up to five inches is being produced and manufactured through our internal coil, and up to seven inches, above five inches to eight inches is being is being manufactured by procuring coil from NMDC and other large players.

So this segment of pipe consists or is like taking care of 80% of the SKU requirement of the industry. Rest 20% belongs to higher diameter pipes, which currently we are not manufacturing. Post our Kesda plant goes live, up to seven to eight inches pipe we will have our in-house capability, so we will manufacture the pipe from our own coil itself, and above that of seven to eight inch pipe, we will be taking coil from outside and we will manufacturing the pipe.

Vikram Sharma: So up to seven inch is 80% of the total market in tonnage terms?

Vikas Kumar Goyal: Yes, in tonnage terms.

Vikram Sharma: Okay, sir. Thank you.

Vikas Kumar Goyal: Thank you.

Moderator: Thank you. The next question is from the line of Shubham Kadhi from 3A Financial Services. Please proceed.

Shubham Kadhi: Hello, sir, am I audible?

Vikas Kumar Goyal: Yes, Shubham, audible.

Shubham Kadhi: So first of all, congratulations on a great set of numbers. I wanted to know what were the average price realizations of all the finished products in Q1? And what are they going currently as well, given that the steel prices have stabilized a bit?

Vikas Kumar Goyal: Right. So net realization I will just quote it in a range format. So it will be in Q1 for MS pipe and tube, it will be around INR60,000 per ton average. For GP pipe, it's INR75,000. For SS 200, we have achieved around INR1,40,000, and for SS 300, we have around INR2,00,000 to INR2,10,000 per ton average realization for Q1 FY27.

And currently, realization which we envisage currently for Q2 FY27 is INR58,000 approximately for MS pipe, INR72,000 to INR73,000 for GP pipe, and INR1,30,000 per ton for SS 200 series and around INR2,00,000 per ton for SS 300 series. So that is what we are envisaging currently.

Shubham Kadhi: Okay, sir. And once the capacity of Phase 1 comes live of 3,60,000 tons, what sort of working capital would be required in this phase, only for incremental working capital for this after the capacity comes live?

Vikas Kumar Goyal: The ramp-up will happen in gradual manner, so in FY 2028, we believe the capacity utilization, because Q1, Q2, Q3 it will have a lower capacity utilization. So average capacity utilization for FY28 will be around 35% or so. For that, we may require around INR200 crores of working capital, and when it will be fully utilized up to 60%, 65% in FY29, we will require around INR300 crores of working capital for additional manufacturing capacity for Kesda stainless steel plant.

Shubham Kadhi: Sir, I didn't get the number if you can repeat it.

Vikas Kumar Goyal: I am saying INR200 crores additional working capital for FY28 and INR300 crores for FY29.

Shubham Kadhi: INR300 crores. Okay, sir. And we had acquired around 15% stake in a company called Vajra Pipes, if I'm not wrong.

Vikas Kumar Goyal: Yes, it's Vajra Alloys.

Shubham Kadhi: Vajra Alloys, yes. So what was the rationale behind it, what sort of products the company manufactures, and where are they being used?

Vikas Kumar Goyal: So if you see, this Vajra Alloys is being, company is being formed by some ex-MIDHANI professionals, plus a listed company promoter in based out of Chennai. So they were going to manufacture and they are going to set up India's first super alloy plant, which currently only MIDHANI is manufacturing. So at private level, this is the first plant that is going to come up. Another Hyderabad-based manufacturing company also announced the similar kind of manufacturing setup.

So, what we believe is we have a pretty much of synergy in terms of skill set and competence for manufacturing super alloy, so the capacity that they are currently proposed is very small, so we don't want to enter this segment with small capacity, so we are currently, looking for them to manufacture high-value super alloys, and we will be taking the raw material for value addition in our current manufacturing setup.

So that is the rationale behind investment and taking 15% stake in the company.

Shubham Kadhi: So where would this alloy super alloys be used, like in terms of end consumer market?

Vikas Kumar Goyal: So in the raw form itself it doesn't have any use. It's in terms of rolled product, let's say flat product or seamless kind of, in terms of pipe, it has lot of use in terms of aerospace, defence, marine, gasification plants, nuclear plants, and so and so forth, including critical semiconductor, data centers and critical power plants. So this super alloys will have currently having lot of use cases and 90% of which is currently being imported to India.

Shubham Kadhi: Okay. 90%. Okay, And sir, just if I could squeeze one last question, what would be the final finished saleable capacity once the stainless steel and the expansion of ERW pipes happen by end of 2027?

Vikas Kumar Goyal: Okay. So the current capacity expansion that we have currently announced, accordingly we will have at least 5 lakh ton of ERW pipes and tube manufacturing capacity, we will have 1,16,000 ton of GP pipe and coil manufacturing capacity, we will have 4,76,000 ton of stainless steel coil manufacturing capacity, and we will have approximately 88 to 90 megawatt of captive power plant.

Shubham Kadhi: Okay, sir. That's all from my end. I wish you the very best.

Vikas Kumar Goyal: Thank you.

Shubham Kadhi: Thank you.

Moderator: Thank you. The next question is from the line of Vinit Thakur from Plus91 AMC. Please proceed.

Vinit Thakur: Hi, good evening and congratulations on an excellent set of numbers, sir. Sir, I had a couple of questions regarding the capex. Are we still on stream to finish it by the expected timeline? And could you just explain the margin going forward as well, what will be a sustainable margins?

Vikas Kumar Goyal: So first is the capex timeline that you are talking about, we are pretty much sure about our achieving the capex timeline. We are currently on time in terms of our bar chart. Secondly, in terms of margin, for FY27, we would give a margin guidance of around 12% with a deviation or standard deviation of 1% or 2%. In terms of PAT, we want to give a guidance of 6% with a standard deviation of 1%.

Vinit Thakur: And sir, since our sponge iron is -- we are able to captively fulfill our sponge iron needs or we are sourcing outside as well?

Vikas Kumar Goyal: Not required to source outside sponge iron. We are making special grade of sponge iron, which in turn is being used by only us. Certain portion, which is B-grade, which is not satisfying to our quality requirement, being sold off, which is being reported as an allied product or semi-intermediate product sales.

Vinit Thakur: But sir, post the expansion of Phase 1 and Phase 2, we would be requiring more sponge iron as we are -- more we would need more sponge iron requirement post the Phase 1 expansion, so how will we be able to meet...

Vikas Kumar Goyal: We are mostly a scrap-based stainless-steel manufacturer. So even if certain -- so we have certain capacity in-house to cater to our additional requirement of sponge iron. So, in terms of sponge iron requirement for Phase 1, we do not require outside sponge iron currently.

Vinit Thakur: Okay.

Vikas Kumar Goyal: Yes.

Vinit Thakur: So, you're going to say that we'll be able to source all most of the scrap for stainless steel. And, sir, what is the update on Phase 2 and Phase 3 -- Phase 2 expansion as well? Have we decided what we are going to start out with?

Vikas Kumar Goyal: Phase 2 is currently in given guidance by our Board, so once it is being approved by the Board, I will be giving the commentary on that. Probably post Q4 production start for our Phase 1, we will be announcing immediately our expansion plan for Phase 2 and Phase 3.

Vinit Thakur: And sir, just last question. I just want to get clarity on our capex schedule as well going forward, how much would be a capex for this year, next year?

Vikas Kumar Goyal: Yes, so currently for the Kesda plant, which is currently the INR930 crores, so most of the money will be deployed in this year itself. And we have also announced power plant of INR200 crores along with the DFT mill, so that will have INR100 crores expenditure this year and INR100 crores expenditure next financial year.

And INR25 crores of rooftop solar power plant that we have announced, approximately INR10 to INR12 crores will be deployed this year and balance INR13 crores will be deployed next financial year. That is how the capex schedule is.

Vinit Thakur: And sir, what is the peak utilization for the current capacities and what is we are running at currently as well?

Vikas Kumar Goyal: In terms of MS pipes and tubes, let's say the market norms is around 70%, we are well above 65% currently. In terms of GP, we are operating above 90% actually GP pipe and coil. In terms of stainless steel, market norms is 60-65%, we are operating at 60% level currently.

Vinit Thakur: Okay, so we are almost near capacity for our current capacities.

Vikas Kumar Goyal: Yes.

Vinit Thakur: Okay. And, sir, has the new -- so since the pellet prices and everything had shot up in Q4 FY26 and Q1 FY27 also had sort of seen an incremental increase, but now everyone's commentary in the industry is that Q2 is going to be a little subdued and little much more -- less a little less than as compared to Q4 and Q1. What are your views on the same, sir, about realizations?

Vikas Kumar Goyal: I don't want to counter my industry peers, so I will go with them.

Vinit Thakur: Okay, sir. Thank you so much.

Vikas Kumar Goyal: Thank you.

Moderator: Thank you. The next question is from the line of Vidhi Shah from C R Kothari & Sons. Please proceed. Due to no response from the current participant, we move on to the next. The next question is from the line of Deeya Jain from Sapphire Capital. Please proceed.

Deeya Jain: Hello, am I audible?

Vikas Kumar Goyal: Yes.

Deeya Jain: How much revenue growth and EBITDA per ton are we looking for in FY27 and FY28?

Vikas Kumar Goyal: Can you repeat the question again, please?

Deeya Jain: How much revenue growth and EBITDA per ton are we looking for this year and next year?

Vikas Kumar Goyal: So, this year we are looking at around 10% to 15% of the revenue growth over the base of 2026. In terms of EBITDA per ton, I would like to comment over a range, so it will be around INR7,500 to INR8,500 per ton basis. In terms of volume, it will be again 10% to 15% over the base of 2026.

For next financial year, I we will be having new capacity line, so EBITDA per ton will be upward of INR8,000 per ton. In terms of revenue, we will be around INR4,500 in and around that revenue we are looking at.

Deeya Jain: Okay, sir. And we do expect the realizations to decrease going forward, right? The coming quarters?

Vikas Kumar Goyal: Changing the product mix, so in terms of realization per ton, if you see, the SS quantity is getting changed and it is getting increased in our portfolio, so realization per ton in terms of overall it is increasing, but in terms of segment-wise, it's not increasing much.

Deeya Jain: Okay, sir. Understood.

Moderator: Thank you. The next question is from the line of Ambresh Malvani from Niveshaay Investment Advisory. Please proceed.

Ambresh Malvani: Hello, sir.

Vikas Kumar Goyal: Hello.

Ambresh Malvani: Sir, how are you looking at the competitive view in the industry as many players are doing capex? And how are you planning to reach the 10 lakh MTPA by FY2030?

Vikas Kumar Goyal: So, I think we are talking about MS product itself?

Ambresh Malvani: Yes, yes, yes.

Vikas Kumar Goyal: Yes, so currently we are having 3,50,000 ton of capacity, plus we have announced DFT mill of 1,50,000 ton, so it will take our capacity in Q2 2028 approximately 5 lakh ton. And in the Phase 2 and Phase 3 of Kesda, we will have this additional 5 lakh ton of MS pipes and tubes capacity, fully integrated plant will be added there. So, we will be achieving this 10-lakh ton through this method.

Ambresh Malvani: And sir, in power you are doing some capex, so how much so how much it will be captive and how much you will save from it?

Vikas Kumar Goyal: If you see, by 2030, we wanted to achieve approximately 150 megawatts of captive power plant, out of which currently we are having 25, and the capex that we announced, it will take up to 88 megawatts. So, we envisage out of this captive power plant, we currently once it goes live, we will be saving approximately INR180 crores to INR200 crores of power cost saving in our cost.

Ambresh Malvani: Okay, sir. Thank you.

Moderator: The next question is from the line of Rucheeta from CJ Shah. You may proceed.

Rucheeta: Hello, sir. Congratulations on a great set of numbers. Sir, on the stainless-steel side, so sir, I've seen that we've kind of scaled up the capacity, but quarter-on-quarter, if you see, we've not kind of scaled up in terms of the production and the sales volume number. Also, correct me, if I'm wrong, I heard that you said that in FY27, we'll be growing at around 10% to 15% in terms of EBITDA.

So, sir, I mean, we've done like INR95 crores and even though the next quarter is soft because of monsoon, do you still think that a 10%-15% growth is viable? I mean, it should be around 30% considering the kind of capacity we have and the mix changing more towards stainless steel. So, if I can get a little clarification on that side?

Vikas Kumar Goyal: Sure, ma'am. So, in terms of production, I think we are peaked in terms of stainless-steel production, so that is why the number looks static. Secondly, in terms of EBITDA, we would like to stay conservative, so over the base of let's say INR270 crores operating EBITDA that we have reported in 2026.

We wanted to give a guidance of 10% to 15% incremental over there for this particular financial year 2027. In terms of number monsoon effect per se, so it will be there because there is moisture in the raw material, there is price softness in the market, demand slowness in the market, so Q2 may be looks a bit dampener, but if you see weighted average Q1, Q2, Q3 and Q4 for entire year, I think the guidance is fair and conservative in our terms.

Rucheeta: Still, I was expecting our EBITDA growth to be plus north of 30%. But since you said 10% to 15%, I was considering are we looking at the per ton going down or stainless steel scaling slower than what we are anticipating?

Vikas Kumar Goyal: Yes, you can say that we are anticipating, you know, price softness in stainless steel also, because the QCO framework is being relaxed. So, you know, when we are coming under BIS compliances, the Chinese import, all other imports are not coming under BIS compliances, so there is a bit, you can say, anomaly in terms of playground. So, yes, there is a competition or there will be competition once the shipments get started and the sailing gets smooth. So, yes, pricing wise, it will be softer in stainless steel margin.

Rucheeta: So how much volume are we expecting in each of our segments in FY27, and how much EBITDA per ton, if you could just give me a little clarity on that, so that I can work on those numbers?

Vikas Kumar Goyal: Yes, ma'am. So in terms of EBITDA per ton per segment, we do not calculate because our ERP doesn't allow us, because we are integrated facility. But in terms of volume, I would say 2,30,000 tons to 2,40,000 tons for MS pipes and tubes segment, around 90,000 tons for GP pipe and coil together, and let's say around 60,000 tons for stainless steel SS stainless steel CR coil.

So that is what we are currently looking at in terms of sales volume for FY27. So, in a way, around 4 lakh tons is total value-added product sales that we are currently envisaging. In terms of overall weighted average EBITDA, I would say it will be in the range of 7,500 to 8,500 for entire year.

Rucheeta: 8,500 is what you are saying?

Vikas Kumar Goyal: That is the bracket that I have given. On the outer side, I'm saying 8,500, on the lower side, it will be 7,500.

Rucheeta: Okay. And because we are making INR16,000 EBITDA per ton right now in stainless steel, so with all the changes that you're seeing, even on the lower side, what bracket are you seeing? Would it be like INR10,000 to INR12,000 or how is it on the lower side of it?

Vikas Kumar Goyal: Stainless steel you are talking about specifically?

Rucheeta: Yes, stainless steel, yes.

Vikas Kumar Goyal: Yes, so on the bottom side if I see for the stainless steel itself, the bottom-out number for EBITDA for stainless steel itself is around 10,000, which I think in Q3 FY26 we have shown, but the regular number that we have shown and looking at the numbers, it is around 15,000 for last three-four quarters.

Rucheeta: Got it, sir. Got it. Thank you so much.

Moderator: Thank you. The next question is from the line of Vidhi Shah from C R Kothari & Sons. Please proceed.

Vidhi Shah: Hello, am I audible, ma'am?

Moderator: Yes.

Vidhi Shah: Yes, sir. I have two questions. Firstly, currently we have a safeguard duty on steel. I think that is on co-steel, so that ends in FY28. So after that, how do you see the steel prices coming?

Vikas Kumar Goyal: Sir, I think, ma'am, that is far-fetched I think, that long kind of vision we do not have currently in terms of pricing, so let's see how the market plays. Currently, you know, there is capacity also coming up by the primary-route steel producer, we are also ramping up the production. You know, even if you see the Chinese market also, they are also ramping down the production, they're not ramping up the production, so in terms of demand-supply situation, it is quite equilibrium currently. In terms of pricing, there is no pressure as such till even if safeguard duty is not there. So I think the price correction after safeguard duty, there will be not much of a price correction because of that, I believe.

Vidhi Shah: Okay. And sir, can I get a current capacity utilization across all the segments in ERW, stainless, and GP?

Vikas Kumar Goyal: I have already given that number in the previous questions, you can refer to that, please.

Vidhi Shah: Yes. Thank you, sir.

Moderator: Thank you. That was the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Vikas Kumar Goyal: Thank you, everyone, for participating in this call. We trust that we have addressed all your queries during this session. However, if there are any remaining questions, please feel free to reach out to our Investor Relation team at Go India Advisors. Once again, we extend our gratitude to all the participants for joining us today. Thank you and have a great day.

Moderator: On behalf of Monarch Networth Capital Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.